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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

PONDEROSA-STATE ENERGY, LLC

Case No. 19-13011 (JLG)

Debtor.

Chapter 11

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**SECOND SUPPLEMENT TO MOTION FOR AUTHORIZATION PURSUANT
TO 11 U.S.C. §§105, 361, 362 AND 363(c) FOR USE OF CASH COLLATERAL**

Ponderosa-State Energy, LLC (“Ponderosa” or the “Debtor”), the above-captioned debtor and debtor in possession, files this Second Supplement (the “Amended Supplement”) to *Motion For Authorization Pursuant to 11 U.S.C. §§105, 361, 362 and 363(c) For Use of Cash Collateral* (the “Motion”).¹

Attached hereto as **Exhibit A** is a proposed third 13-week cash collateral budget from the week beginning March 15, 2020 through and including the week ending June 13, 2020 (the “Budget”).

WHEREFORE, the Debtor respectfully requests the entry of an interim order, substantially in the form attached to the Motion, approving continued use of Cash Collateral pursuant to the Budget.

¹ Capitalized terms used but not defined herein have the meanings assigned to such terms in the Motion.

Dated: New York, New York
February 21, 2020

Respectfully submitted,

DIAMOND McCARTHY LLP

/s/ Charles M. Rubio

Charles M. Rubio

Sheryl P. Giugliano

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Exhibit A

PONDEROSA-STATE ENERGY, LLC, Case No. 19-13011 (Bankr. S.D.N.Y)

3/15/20 - 6/13/2020

Third 13-Week Budget

Ref.	Week #	27	28	29	30	31	32	33	34	35	36	37	38	39	# of Days
	Week Start	3/15/2020	3/22/2020	3/29/2020	4/5/2020	4/12/2020	4/19/2020	4/26/2020	5/3/2020	5/10/2020	5/17/2020	5/24/2020	5/31/2020	6/7/2020	90
	Week Ended	3/21/2020	3/28/2020	4/4/2020	4/11/2020	4/18/2020	4/25/2020	5/2/2020	5/9/2020	5/16/2020	5/23/2020	5/30/2020	6/6/2020	6/13/2020	Total
6	PRODUCTION														
7	Gross Oil (bbl)	420	420	420	420	420	420	420	420	420	420	420	420	420	5460
8	Gross Gas (mcf)	560	560	560	560	560	560	560	560	560	560	560	560	560	7280
9	Total BOE/day	68	68	68	68	68	68	68	68	68	68	68	68	68	
10	Inventory	91	143	11	63	115	167	219	87	139	191	59	111	163	
11	oil sold	368	368	552	368	368	368	368	552	368	368	552	368	368	
12	oil sold/month		1472						2024			1840			
13	gas sold/month		2240					2800				2240			
14	CASH RECEIPTS														
15	Gross Oil Revenue	\$ 76,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,544	\$ -	\$ -	\$ -	\$ -	\$ 105,248	\$ -	\$ 258,336
16	Gross Gas Revenue	\$ -	\$ -	\$ 17,500	\$ -	\$ -	\$ -	\$ 11,200	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$ -	\$ 42,700
17	Gross Cash Receipts from Operations	\$ 76,544	\$ -	\$ 17,500	\$ -	\$ -	\$ -	\$ 76,544	\$ 11,200	\$ -	\$ -	\$ -	\$ 105,248	\$ 14,000	\$ 301,036
18	TRANSFER TO RESERVES														
19	Royalty Reserves, GLO payment	\$ 19,136	\$ -	\$ 4,375	\$ -	\$ -	\$ -	\$ 19,136	\$ 2,800	\$ -	\$ -	\$ -	\$ 26,312	\$ 3,500	\$ 75,259
20	Working Interest Reserves	\$ 28,130	\$ -	\$ 6,431	\$ -	\$ -	\$ -	\$ 28,130	\$ 4,116	\$ -	\$ -	\$ -	\$ 38,679	\$ 5,145	\$ 110,631
21	Total Transfer to Reserves	\$ 47,266	\$ -	\$ 10,806	\$ -	\$ -	\$ -	\$ 47,266	\$ 6,916	\$ -	\$ -	\$ -	\$ 64,991	\$ 8,645	\$ 185,890
23	SOURCES OF CASH														
24	CASH FROM SPECIAL MASTER														
25	Estimated Cash Receipts From Special Master	\$ 29,278	\$ -	\$ 6,694	\$ -	\$ -	\$ -	\$ 29,278	\$ 4,284	\$ -	\$ -	\$ -	\$ 40,257	\$ 5,355	\$ 115,146
28	Total Cash from Special Master	\$ 29,278	\$ -	\$ 6,694	\$ -	\$ -	\$ -	\$ 29,278	\$ 4,284	\$ -	\$ -	\$ -	\$ 40,257	\$ 5,355	\$ 115,146
29	DIP CASH RECEIPTS														
30	Total DIP Availability	\$ 500,000	\$ 395,000	\$ 385,000	\$ 370,000	\$ 365,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 285,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	
31	Beginning DIP Balance	\$ 75,000	\$ 105,000	\$ 115,000	\$ 130,000	\$ 135,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 215,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	
32	Draw/(Repayment) of DIP	\$ 30,000	\$ 10,000	\$ 15,000	\$ 5,000	\$ 75,000	\$ -	\$ -	\$ 5,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000
33	Ending DIP Balance	\$ 105,000	\$ 115,000	\$ 130,000	\$ 135,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 215,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	
34	Total Sources of Cash	\$ 59,278	\$ 10,000	\$ 21,694	\$ 5,000	\$ 75,000	\$ 29,278	\$ 4,284	\$ 5,000	\$ 75,000	\$ -	\$ 40,257	\$ 5,355	\$ -	\$ 330,146
36	USES OF CASH														
37	OPERATING EXPENSES														
38	G&A Expenses (51% of total)	\$ 16,065	\$ -	\$ -	\$ -	\$ 16,065	\$ -	\$ -	\$ -	\$ 16,065	\$ -	\$ -	\$ -	\$ -	\$ 48,195
39	Ad Valorem Taxes (51% of total)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Severance Taxes (51% of total)	\$ 3,521	\$ -	\$ 625	\$ -	\$ -	\$ 3,521	\$ 400	\$ -	\$ -	\$ -	\$ 4,841	\$ 500	\$ -	\$ 13,408
42	Lease Operating Expenses (51% of total)	\$ 7,312	\$ 7,306	\$ 6,195	\$ 3,736	\$ 6,496	\$ 4,042	\$ 10,275	\$ 3,736	\$ 6,241	\$ 4,297	\$ 8,716	\$ 4,785	\$ 5,476	\$ 78,611
43	CapEx														\$ -
44	Total Operating Expenses	\$ 26,898	\$ 7,306	\$ 6,820	\$ 3,736	\$ 22,561	\$ 7,563	\$ 10,675	\$ 3,736	\$ 22,306	\$ 4,297	\$ 13,557	\$ 5,285	\$ 5,476	\$ 140,214
45	CHAPTER 11 RELATED EXPENSES														
46	U.S. Trustee													\$ 4,875	\$ 4,875
47	Debtor Professional Fees - Legal	\$ 50,000			\$ 50,000				\$ 50,000						\$ 150,000
48	Debtor Professional Fees - Accounting	\$ 1,500			\$ 1,500				\$ 1,500						\$ 4,500
49	Adequate Protection Payments			\$ 15,083			\$ 15,021					\$ 14,958			\$ 45,063
50	DIP Lender Fees	\$ 2,500			\$ 2,500				\$ 2,500						\$ 7,500
51	Total Chapter 11 Related Expenses	\$ 54,000	\$ -	\$ 15,083	\$ -	\$ 54,000	\$ -	\$ 15,021	\$ -	\$ 54,000	\$ -	\$ -	\$ 14,958	\$ 4,875	\$ 211,938
52	Total Uses of Cash	\$ 80,898	\$ 7,306	\$ 21,903	\$ 3,736	\$ 76,561	\$ 7,563	\$ 25,696	\$ 3,736	\$ 76,306	\$ 4,297	\$ 13,557	\$ 20,243	\$ 10,351	\$ 352,152
53	BEGINNING CASH	\$ 30,000	\$ 8,380	\$ 11,074	\$ 10,865	\$ 12,129	\$ 10,568	\$ 32,284	\$ 10,872	\$ 12,136	\$ 10,830	\$ 6,533	\$ 33,233	\$ 18,346	
54	ENDING CASH	\$ 8,380	\$ 11,074	\$ 10,865	\$ 12,129	\$ 10,568	\$ 32,284	\$ 10,872	\$ 12,136	\$ 10,830	\$ 6,533	\$ 33,233	\$ 18,346	\$ 7,995	

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Third 13-Week Budget

Ref:	Week #	27	28	29	30	31	32	33	34	35	36	37	38	39	# of Days														
	Week Start	3/15/2020	3/22/2020	3/29/2020	4/5/2020	4/12/2020	4/19/2020	4/26/2020	5/3/2020	5/10/2020	5/17/2020	5/24/2020	5/31/2020	6/7/2020	90														
	Week Ended	3/21/2020	3/28/2020	4/4/2020	4/11/2020	4/18/2020	4/25/2020	5/2/2020	5/9/2020	5/16/2020	5/23/2020	5/30/2020	6/6/2020	6/13/2020	Total														
70	OPERATING EXPENSE DETAILS																												
71	FIELD LEASE OPERATING EXPENSE																												
72	Total Field Lease Operating Expense	\$	14,337	\$	14,325	\$	12,147	\$	7,325	\$	12,737	\$	7,925	\$	20,147	\$	7,325	\$	12,237	\$	8,425	\$	17,090	\$	9,382	\$	10,737	\$	154,140
73	G&A EXPENSE																												
74	Legal	\$	2,500	\$	-	\$	-	\$	-	\$	2,500	\$	-	\$	-	\$	-	\$	-	\$	2,500	\$	-	\$	-	\$	-	\$	7,500
75	Accounting	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
76	Reimbursement of Management Services	\$	29,000	\$	-	\$	-	\$	-	\$	29,000	\$	-	\$	-	\$	-	\$	-	\$	29,000	\$	-	\$	-	\$	-	\$	87,000
77	Subtotal	\$	31,500	\$	-	\$	-	\$	-	\$	31,500	\$	-	\$	-	\$	-	\$	-	\$	31,500	\$	-	\$	-	\$	-	\$	94,500

* The production is for demonstrative purposes only. There is a dispute between the Debtor and other parties as to who is the legal owner of the revenue.

** The Debtor reserves its right to contend that all of its expenses including all the Chapter 11 Related Expenses should be reimbursed from the funds held by the special master.